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From: "Blend, Jeff"
Sent: Tue 7/26/2011 5:45:25 PM
Subject: RE: Next Steps on private industry

Tina:

Thanks for coming up with these 'private industry' steps and seeking contractor assistance. I appreciate that in light of the rather vague "private discharger" guidance given in 1995 that we have struggled with.

My personal first reaction (mine--not DEQ's) is that the steps look good. This will be a lot of work, but Abt will clearly be a big help, assuming we go this route. Hopefully, we can keep this as simple as possible. One of the big question marks is what the financial hardship criteria will be. Is it simply that profit goes from positive to negative for a company (from having to meet nutrient criteria), or do we use other financial metrics? Again, Abt may be able to help with that. Another unknown is the random subsample of minor facilities. Do we simply choose a number from the 86 minors (say 5 or 10) or do we choose one company from each major economic subsector in Montana that was not already represented by one of the 14 majors companies? I agree that it is good to hold off on Widespread impacts on the private side for right now. Please give Mike Suplee a call about some other challenges we are having in Step 2.

We can flesh these and other issues out as the process continues. On another positive note, I think we (DEQ and EPA) are closing in on a good Public demonstration of hardship in Montana for WWTPs, with the understanding that major edits are still needed. Thanks again for the collaboration, and let us keep this rolling.

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-----Original Message-----

From: Tina Laidlaw [mailto:Laidlaw.Tina@epamail.epa.gov]
Sent: Monday, July 25, 2011 2:33 PM
To: Suplee, Mike; Blend, Jeff; LaVigne, Paul; Chambers, Jenny
Cc: Mathieus, George; Ron Steg; Tonya Fish; Gary Russo; Bostrom, Mark
Subject: Next Steps on private industry

EPA HQs has secured contractor funds to assist DEQ with the S&W demonstration for the private sector. Last week, we met with the contractor to outline the steps in the process (see the detailed notes below). The main task where we will need DEQ assistance is Item #2 -- determining which major dischargers will need to meet the criteria at the end of pipe. The list of the 14 major dischargers is attached. We may also need help with Item #5, obtaining financial data. But we can cross that bridge when we come to it.

Please take a minute to review the steps to see if they make sense to you guys. Please email me any comments, questions or concerns. If folks would like to meet to discuss the steps outlined below or questions with Item #2, we could meet sometime next week. Please let me know what you prefer.

Thanks! Glad we're getting this piece going!

Tina

(See attached file: Major Industrial Info.xlsx)

Notes from today's discussion on private industry:

Abt (HQs contractor) has defined the following universe of potentially affected private facilities in Montana --
majors = 14
minors = 86

Steps:

1- Abt to send the list of 14 major facilities. Status: Done.

2 - Ask DEQ to determine which of the 14 majors will have to meet nutrient criteria at the end of pipe. DEQ to provide the final list of major facilities that need to meet criteria end of pipe, along with the permit limits and a brief description of how permit limits were derived, to EPA and Abt.

3- For the facilities identified by DEQ, Tina will obtain the following information from DEQ:

- need permit and the fact sheet.
- DMRs. if none of them have limits, the data may not be available.

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4 - Abt will take the list of facilities identified by DEQ and begin to determine the costs to meet the criteria (based on treatment technology).

5- For the list of facilities provided by DEQ, Abt will obtain the financial information for these facilities. Options for obtaining this information includes:

- request from facilities based on EPA's worksheet
- see if reports are filed with SEC

6- Abt will take the financial data and determine economic hardship for each facility.

7. If all or the majority of major facilities demonstrate hardship, then we'll work on minor facilities. First step in that work is for Abt to identify a random subset of minor facilities that would be required to meet the criteria. Then we would walk through the steps 2-4 above for majors.

8. Hold off on the approach for evaluating widespread impacts until we evaluate the extent of financial impacts. If we need to complete the widespread analysis, one option is to find out how the state projects economic forecasting. We can ask DEQ to talk with the legislative council to see what models are used for economic forecasting.

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